

**CALIFORNIA ENERGY COMMISSION**1516 Ninth Street  
Sacramento, California 95814Main website: [www.energy.ca.gov](http://www.energy.ca.gov)**Before the California Energy Commission**

Implementation of Renewables Portfolio	)	Docket No. 03-RPS-1078
Standard Legislation	)	RPS Proceeding

## CORRECTION TO ERRATA TO THE COMMITTEE DRAFT RENEWABLES PORTFOLIO STANDARD 2005 PROCUREMENT VERIFICATION REPORT

Staff have prepared corrections to the errata to the Committee Draft *Renewables Portfolio Standard Procurement 2005 Verification Report (Verification Report)* as shown here. An errata to the *Verification Report* was mailed to the public on July 24, 2007. Based on public comment and staff analysis, staff has made corrections to Pacific Gas and Electric Company's 2004 procurement data. In the tables below, figures marked with asterics (\*\*) indicate revisions made to the errata that was mailed on July 24, 2007.

The errata to the *Verification Report* which is posted on the Energy Commission's Web site incorporates the corrections shown here. The corrected errata is available at:

<http://www.energy.ca.gov/portfolio/documents/index.html>

**Section 4: Procurement Verification Findings**

Table 7 on Page 23 should be revised as follows:

<b>Table 7: PG&amp;E RPS Procurement</b>								
	<b>RPS Procurement for PG&amp;E (MWh)<sup>1</sup></b>				<b>Percent of Retail Sales</b>			
	<b>2001</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2001</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>
APT	na	na	7,807,140	8,543,303	na	na	10.61%	11.75%
IPT	na	na	710,994	736,163	na	na	0.97%	1.01%
Incremental Procurement <sup>2,3</sup>	na	na	1,392,671	843,222	na	na	1.89%	1.16%
Total procurement <sup>3</sup>	6,719,480	na	<b>**8,574,976</b>	8,650,362	8.92%	12.42%	<b>**11.65%</b>	11.89%
Procurement from Facilities Without RPS-Certification <sup>4</sup>	na	na	na	na	na	na	na	na

Procurement from Facilities in Which Procurement Exceeds Generation by 5 percent or greater <sup>5</sup>	na	na	na <sup>9</sup>	na	na	na	na*	na
Procurement from Distributed Generation Facilities <sup>6</sup>	na	na	na	na	na	na	na	na
Procurement Eligible Towards the APT <sup>7</sup>	na	na	8,559,270 **8,574,976	8,650,362	na	na	**11.65%	11.89%
Retail sales <sup>8</sup>	75,320,000	71,099,363	73,616,302	72,726,639	na	na	na	na

<sup>1</sup> For 2001, total renewable procurement was reported in the "Report to the California Public Utilities Commission: Utility Procurement of Renewable Energy-2001 and 2002" which was filed by PG&E under Rulemaking 01-10-024. The data for 2003-2005 are derived from PG&E's RPS-Track submittals to the Energy Commission.

<sup>2</sup> Incremental procurement is the amount of RPS-eligible procurement that is procured in a given year over the previous year's APT.

<sup>3</sup> Incremental Procurement and Total Procurement are divided by the current year's retail sales.

<sup>4</sup> Since 2004, in order to be eligible for the RPS, facilities must be certified by the Energy Commission pursuant to the *RPS Eligibility Guidebook*.

<sup>5</sup> Procurement from each facility was compared to generation from the facility. If more than one generation total was available, the highest one was selected.

<sup>6</sup> Page 3 of the *RPS Eligibility Guidebook* states the following: "The law includes solar energy as an eligible resource for the RPS, but several issues need to be clarified to determine how best to include distributed photovoltaic resources, as well as other forms of customer-side renewable distributed generation."

<sup>7</sup> This is the Total Procurement for a given year that excludes procurement from facilities that don't have their RPS-Certification (none), procurement from facilities in which total procured exceeds annual generation by 5 percent or greater (none), and procurement from distributed generation facilities (none).

<sup>8</sup> Attachment A of CPUC D.06-10-050 indicates the APT and IPT are calculated based on the previous year's retail sales. The APT for 2004 is the sum of the 2003 Initial Baseline Procurement Amount and the 2004 IPT, which is 1 percent of the previous year's retail sales. The APT for 2005-2009 is the sum of the previous year's APT and IPT, the IPT is 1 percent of the previous year's retail sales.

<sup>9</sup> The May 2007 Committee Draft recommended that PG&E not get any credit for its procurement from the Sierra Pacific Industries Burney facility towards its RPS targets for 2004 because of a competing claim of renewable attributes between PG&E and the Energy Service Provider, 3Phases Energy Services, sold by that facility. However, it was discovered that 3Phases procurement of renewable attributes from the Sierra Pacific Burney facility was not in accordance with regulations for the Energy Commission's Power Source Disclosure Program, CCR, tit. 20, sec. 1390 – 1394. Under the Energy Commission's regulations for the Power Source Disclosure Program, a generator may produce and issue certificates to document its generation using Commission-created software known as "GenReport." These certificates may then be used by a retail provider for purposes of the Power Source Disclosure Program to demonstrate it has purchased the right to claim a specified quantity of generation from the generator. The Energy Commission's regulations state that the GenReport software is available to all generators within the Western Systems Coordinating Council that do not sell their generation to an IOU under the terms of a contract entered into prior to September 24, 1996, under Public Utility Regulatory Policies Act of 1978 (PURPA). The Sierra Pacific Industries Burney facility is a Qualifying Facility (QF) that sold its power to PG&E via a contract that was entered into prior to September 24, 1996 pursuant to PURPA. Staff has learned that the Energy Commission erroneously provided Sierra Pacific Burney with a copy of the Energy Commission's GenReport software and a series of certificate numbers in 2002, and that Sierra Pacific Burney subsequently used the software to issue GenReport certificates in 2004 to document their sales to 3Phases Energy Services. It is unknown why the Energy Commission provided the software or certificate numbers to Sierra Pacific Burney or why the oversight was not discovered earlier. However, it is clear that the Energy Commission's regulations forbid Sierra Pacific Burney from issuing GenReport certificates for purposes of the Power Source Disclosure Program. Consequently, the GenReport certificates Sierra Pacific Burney sold to 3Phases are ineligible for purposes of the Power Source Disclosure Program, and do not represent a competing claim with PG&E. Staff will inform the CPUC of this issue but it is not recommended that any punitive action be taken towards 3Phases because the issuance of GenReport certificates by Sierra Pacific Industries Burney was facilitated in part by the Energy Commission's oversight in providing the facility the GenReport software. Moreover, it appears other biomass facilities operated by Sierra Pacific Industries could have properly issued GenReport certificates in 2004 for use by 3Phases had the facilities issued GenReport certificates at that time. PG&E procured 70,452 MWh from the Sierra Pacific Industries Burney biomass facility. Although available data indicates that the facility generated 94,103 MWh, staff found that another retail provider, 3Phases Energy Services, procured 48,122 MWh in Renewable Energy Certificates from this facility in 2004. As a result, it appears that PG&E procured generation from this facility that did not include the renewable attribute. While PG&E claims that they procured both the generation and the attribute from this facility, the facility claims that it had the right to sell the attribute to 3Phases Energy Services. This is a dispute is contractual in nature and not within the Energy Commission's jurisdiction to resolve. Therefore, the Energy Commission will not credit PG&E or 3Phases Energy

~~Services for their claimed procurement from this facility until such time as the dispute is resolved. The Energy Commission is prepared to revise its finding to reflect the parties' resolution of the dispute, provided the resolution does not result in renewable attributes being double counted.~~

Table 9 on Page 25 should be revised as follows:

<b>Table 9: Difference between PG&amp;E RPS Procurement and Targets</b>				
<b>Eligibility</b>	<b>2004 Procurement (MWh)</b>	<b>2005 Procurement (MWh)</b>	<b>2004 Percent Above Target</b>	<b>2005 Percent Above Target</b>
<b>Qualifying APT Procurement</b>	<b>**8,574,976</b>	8,650,362	<b>**9.84%</b>	1.25%